

## **FINAL STATEMENT OF REASONS**

### **1) The Update to the Initial Statement of Reasons**

The department is not updating the Business Partner Automation Surety Bond form REG 866 from (Rev 11/2008) to (Rev 12/2011) in section 225.09 because the later revision has not yet been approved by the Attorney General's office. Once the approval is given, the department will make the update.

Section 225.39 is being revised with a minor change to text. Rather than removing "be responsible for" the text is edited to read "be responsible for the following" in subsection (a). Also, rather than removing "Providing oversight for their" the text is edited to read "Provide oversight to ensure" in subsection (a)(1). These edits maintains the intended meaning for this section.

### **2) Imposition of Mandate on Local Agencies or School Districts**

The department's regulatory action amending Sections 225.00, 225.03, 225.09, 225.12, 225.15 225.30, 225.35, 225.39 and 225.42 to Article 3.6, Chapter 1, Division 1 of Title 13, does not impose any mandate on local agencies or school districts and imposes (1) no cost or savings to any state agency, (2) no cost to any local agency or school district that is required to be reimbursed under Part 7 (commencing with Section 17500) of Division 4 of the Government Code, (3) no other discretionary cost or savings to local agencies, and (4) no cost or savings in federal funding to the state. No studies or data were relied upon to make this decision.

### **3) Summary of Comments Received and Department Response**

The proposal was noticed on November 18, 2016, and made available to the public from November 18, 2016 through January 2, 2017.

One comment was received late, after the comment period.

The modified proposal was noticed on March 22, 2017 and was made available to the public from March 22, 2017 through April 6, 2017.

In the 15-day Notice for the modified proposal, it incorrectly stated that we received one comment during the original comment period. Because the one comment received was late, the 15-day Notice should have stated the department received no comments. No comments were received on the modified regulatory proposal.

### **4) Form Incorporated by Reference**

This action incorporates by reference the Application, form REG Application for Changes REG 4026 (Rev 1/2017).

The form REG 4026 will not be published in the California Code of Regulations because it would be impractical, cumbersome, and unduly expensive to do so.

During the 15-day comment period, the form REG 4026 was made available to the public by calling the department representative that was identified in the Notice of Modified Proposal. The department received no requests related to the forms.

### **5) Determination of Alternatives**

The department has determined that no reasonable alternative considered by the department or that has otherwise been identified and brought to the attention of the department would be more effective in carrying out the purpose for which the action is proposed, or would be effective as and less burdensome to

affected private persons than the proposed action, or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provisions of law. The only other alternative would to make no changes but this is not a viable alternative, as it would not solve the problem this proposal is addressing.